

Nazara, Metro Health’s earnings announcements before board approval raise eyebrows

Synopsis

The move has raises eyebrows among some market participants, who allege the companies may have violated rules.



Agencies

Both Nazara and Metropolis are yet to announce the board meeting dates for approval of results.

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Metropolis Healthcare Ltd.
 2281.35 5.70 (0.25%)

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Mumbai: **Nazara Technologies** and **Metropolis Healthcare** NSE 0.25% divulged some of their **earnings numbers** to stock exchanges even before making the mandatory announcement of a **board meeting date** to approve the results. The move has raises eyebrows among some market participants, who allege the companies may have violated rules.

In a business update for FY21 filed with stock exchanges, newly listed Nazara Technologies said that the company delivered unaudited consolidated revenue of Rs 454 crore in FY21 which is 84% growth over FY20 figure of Rs 247.5 crore. It also said that **EBITDA** (earnings before interest, taxes, depreciation, and amortization) including share of non-controlling interest for FY21 has witnessed 470% growth over FY20.

Similarly, Metropolis Healthcare said that it has achieved a revenue growth of 40% year-on-year in the March 2021 quarter as compared to the March 2020 quarter.

Both Nazara and Metropolis are yet to announce the board meeting dates for approval of results.

“A company without filing unaudited or **audited financials**, providing a business update drawing comparison with audited revenues of last year is usually a surveillance concern for the regulator and stock exchanges,” said **Sumit Agarwal**, founder and partner, Regstreet Law Advisors. “Any such disclosures are permissible as a fair market disclosure under **SEBI** (Prohibition of Insider Trading) Regulations, 2015 if one has apprehensions of leak of the information.”

Agarwal said that to provide disclosure to a potential investor and covering it as a fair market disclosure is frowned upon by the regulator.

In response to an email query, a Metropolis spokesperson denied publishing ‘exact financial statement figures’ to the stock exchange,”

“The information published is an endeavour to ensure that all investors have access to timely, adequate and updated information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.”

An email query sent to Nazara Technologies did not elicit any response.

Nitin A Khandkarr, a senior wealth manager with a family office said listed companies should publish business updates along with quarterly results only, and not ahead of the latter.

“Not every company which publishes a business update ahead of the quarterly results might be doing it with an ulterior motive, but sharing only a sketch of the financial performance, ahead of publishing quarterly results is not advisable,” he said.

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